

**MEMO ENDORSED**



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
NEW YORK REGIONAL OFFICE  
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NEW YORK, NY 10281

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DOCUMENT  
ELECTRONICALLY FILED  
DOC #:  
DATE FILED: 4/27/2018

April 26, 2018

**VIA ECF**

Hon. Valerie E. Caproni  
United States District Judge  
United States Courthouse  
40 Foley Square  
New York, NY 10007

**Re: SEC v. Davis, et al., (14-CV-1528) (VEC) (S.D.N.Y.)**

Dear Judge Caproni:

We write with respect to the Court's Order of April 18, 2018, and have conferred with the parties to this action in connection with this response. Plaintiff Securities & Exchange Commission ("SEC") have had settlement discussions with defendants Canellas, Davis and Mullikin but we have not reached an agreement with any of the parties. As such, the parties propose that with regards to monetary relief, all document discovery and interrogatories be complete by June 30, 2018; all deposition discovery be complete by July 31, 2018; and that a status conference with the Court be held on August 10, 2018 to determine whether or not a live hearing is required or whether the issue of monetary relief can be determined on written submission. The SEC and the parties plan on continuing their settlement talks during the discovery period, and will advise the Court should those discussions result in a consensual resolution.

Lastly, because the partial judgment against defendant Sanders is contingent upon the outcome of his appeal in the parallel criminal case, the SEC and counsel for Sanders respectfully request that discovery as to Sanders be delayed until a decision is rendered by the New York State Appellate Division.

Please feel free to contact us if you have any questions or need additional information.

The deadline for all discovery (including document productions, interrogatories, and depositions) as to damages against Defendants Mullikin, Davis, Canellas, and Sanders is **July 31, 2018**. In light of this lengthy discovery period, extensions will not be granted absent compelling circumstances. The parties must appear for a conference on **August 10, 2018 at 10:00 a.m.**, Courtroom 443, Thurgood Marshall U.S. Courthouse. By **August 2, 2018**, the parties must submit a joint letter regarding the status of the case.

Defendant Sanders' request to stay discovery is DENIED. Mr. Sanders must promptly notify the Court as soon as the Appellate Division issues a ruling on his case.

Sincerely,

s/ William Finkel  
William Finkel  
Attorney for Plaintiff  
Securities & Exchange Commission  
(212) 336-0068  
[finkelw@sec.gov](mailto:finkelw@sec.gov)  
SO ORDERED.

*Valerie Caproni* 4/27/2018

HON. VALERIE CAPRONI  
UNITED STATES DISTRICT JUDGE